

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 16260
[REDACTED],	)	
	)	DECISION
Petitioner.	)	
_____	)	

On October 31, 2001, the Income Tax Audit Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer), proposing Idaho individual income tax, penalty, and interest in the amount of \$12,689 for the taxable year 1995.

The taxpayer filed a timely protest and petition for redetermination. He did not request a conference. The Tax Commission has reviewed the file, is advised of its contents, and hereby issues its decision.

The Bureau determined that the taxpayer, a Missouri resident, had sold property located in Idaho during 1995 but did not file an Idaho income tax return to report and pay Idaho taxes on that income. The Bureau sent the taxpayer a letter that explained the Idaho income tax filing requirements for a nonresident. The Bureau asked the taxpayer to provide the details of the sale.

The taxpayer did not respond to the request and a Notice of Deficiency Determination was issued. The taxpayer asked for a redetermination because the costs associated with the sale of the property were not taken into account. He provided information without any type of substantiation. The Bureau wrote another letter to the taxpayer asking him for a complete copy of his 1995 federal return to establish the total income he received from the sale. Because the taxpayer said a portion of the sales price was paid on contract, the Bureau also asked the taxpayer to provide a complete copy of his federal return for any year he received income from the sale of the Idaho property.

When no response was received, the taxpayer's file was transferred to the Legal/Tax Policy Division for administrative review. The taxpayer did not respond to a letter outlining his right to request a hearing or submit additional information.

Idaho Code § 63-3027A directs the determination of tax on income received by a nonresident of Idaho as follows:

63-3027A. Computing taxable income of part-year or nonresident individuals, trusts and estates. [EFFECTIVE UNTIL JANUARY 1, 1996] (a) The taxable income of nonresident individuals, trusts, or estates includes only those components of Idaho taxable income as computed for a resident, derived from or related to sources within Idaho. This is to be computed without the deductions for either the standard deduction or itemized deductions or personal exemptions except as provided in subsection (d) of this section.

The taxpayer does not deny he received income from the sale of Idaho real estate during 1995. He does explain, however, that the sales price was not the income he received from the sale. He said there were costs related to the sale as well as a mortgage balance that was paid out of the proceeds and a portion of the sales price was paid on contract. The taxpayer furnished nothing to substantiate the transactions, figures, and timeframes outlined in the sole letter he sent to the Bureau.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). Having presented no information in support of his argument, the taxpayer has failed to meet his burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

WHEREFORE, the Notice of Deficiency Determination dated October 31, 2001, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax and

interest for the taxable year 1995.

<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$7,433	\$1,858	\$3,613	\$12,904

Interest is compute through June 1, 2002.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayer's right to appeal this decision is enclosed with this decision.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2002.

IDAHO STATE TAX COMMISSION

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COMMISSIONER

### **CERTIFICATE OF SERVICE**

I hereby certify that I have on this \_\_\_\_ day of \_\_\_\_\_, 2002, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]                      [Redacted]  
[Redacted]

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ADMINISTRATIVE ASSISTANT 1